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CL ASSIFICATION CONFIDENTIAL Amembassy BUENOS AIRES CEDS 652 eclassified | Case: ITX= 52362 Date: ELAB, PFOR, AR, UY CGT SecGen Casildo Herreras AGS ECT. ION Secstate WASHDC IMMEDIATE Amembassy MONTEVIDEO IMMEDIATE TNFO CONFIDENTIAL BUENOS AIRES 2380 REFS (a) State 081223, (b) Buenos Aires 2148 1. Summary: April 8 wireservice report from Montevideo indicates that CGT SecGen Herreras may depart shortly for Mexico. We hope AFL-CIO will feel that its obligation to Herreras will have been met with his arrival in Mexico, and will make no R M S AO further effort to promote a visit to US. Our continuing consultations with labor sources convince us that no useful purpose GP-2 AT would be served by such a visit. Additionally, his presence AT in US could create problem for USG. End Summary. ON 2. April 8 press carried Latin wireservice report that CGT SecGen Herreras will be given permission to depart Montevideo for Mexico. We hope his arrival there will signal end of AFL-CIO efforts on his behalf. Additional development and further discussions with Argentine labor leaders have reinforced our DRAFTING DATE TEL EXT WSSmith/ CONTENTS AND CLASSIFICATION APPROVED BY TT .RGamble Cc POL:WSSmith IR 4/8/76 290 DCM:MChaplin GBeckett ((in substance) AMB:RCHill

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conviction that it could be unfortunate for our relations if Herreras should visit AFL-CIO at this time.

3. Embassy has been unofficially advised that military is presently considering possibility of asking for Herreras' extradition on criminal charges evolving from his financial activities. Should he be in US when (and if) extradition requested, this could become thorny and embarrassing issue in US-Argentine bilateral relations. 4. Herreras' situation has been discussed with wide range of labor contacts, including those (Elorza, Alvarez and Lopez) mentioned by McLellan (State 081223). The unanimous opinion of all those contacted is that Herreras is finished inso far as Argentine labor is concerned. Most felt that AFL-CIO was wasting its time and effort on a discredited "dead horse." They noted that in Argentina labor leaders normally end their cycle by being killed, but that Herreras is one of the fortunate ones as he is a "living corpse." Accordingly, they felt that US labor should concentrate on future and not worry about assisting a "has-been." Sources believed that with the money Herreras has managed to accumulate, he himself will

wish to forget labor matters and enjoy his exile. (Note: For the record, Embassy never proposed that AFL-CIO support Herreras for ILO post, as suggested in State 081223.

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We merely relayed/labor leaders' requests for that support.)

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Although Elorza, Alvarez and Lopez say it would have 5. been better if Herreras had not rpt not been invited to US, now that invitation has been extended they see no graceful way in which AFL/CIO can withdraw it. But even so, they believe visit should not rpt not take place. While they have no doubts that Herreras is finished in Argentina, he may have some role internationally with ILO for perhaps a few months. Further, they point out that he did perform some useful services -e.g. affiliation of CGT with ICFTU, intensified activities in democratic, international labor affairs, and closer cooperation with AFL/CIO. It was on this basis, and because of their personal affection for Herreras that they had asked AFL/CIO to help him in Uruguay, where they were concerned for his personal safety. They believe AFL/ CIO was right to help him--though they do not believe help necessarily had to include an invitation to US. ### /### ######## (Note: From labor viewpoint, their conviction that AFL/CIO should have helped Herreras is not surprising. However, the manner in which trade union rep Warren in Montevideo involved Embassy and USG in the case is in our view indefensible.

6. Comment: Embassy continues to feel strongly that
Herreras' presence in US at this time would be inimical
to interests of USG.

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DEPARTMENT OF STATE

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CLASSIFICATION FROM Amembassy BUENOS AIRES CONFIDENTIAL ì Declassified Cage: LDX= 82368 Date: GDS 1652 3-24-2316 rags. ELAB, PINT, AR ECT: Labor and the GOA SecState WASHDC TION: Info: DIA/DOD WASHDC CONFIDENTIAL BUENOS AIRES 2587 THE PROPERTY OF THE PROPERTY O 1. Summary. GOA policy regarding future dealings with organized labor is still unclear, at least to labor. Labor leaders have been advised by military that policy will be defined within two weeks, although few contacts believe that P-2 situation will really become clarified before an additional two to three months. Meanwhile, disparate groups of labor leaders, each seeking to become nucleus of future leadership. are holding discussions with military. Result is increased divisions within labor leadership ranks. End summary. 2. Military government has not given any public indication of what its future policy vis-a-vis organized labor will be. Labor contacts report that military has advised them that internal military differences of opinion have precluded final

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decision. Contacts state that some military officials, primarily at colonel level within army and air force and fairly widespread throughout navy, are pressuring General Videla to adopt hard-line approach. Such approach reportedly implies destruction of existing union structure and removal of current labor leadership. Majority of contacts believe Videla, Viola and other senior officers are holding out for moderate approach, utilizing existing structure and cooperating with majority of present leaders.

3. GOA actions and reactions thus far regarding labor appear to be more piecemeal than planned, lending credence to idea that no policy has been decided upon. However, while large majority of labor contacts accept military's protestations that there is no defined policy, a few are now beginning to question whether the absence of a policy is not itself the policy. That is, they question whether "inaction and no forward progress are the result of not having a policy or, conversely, a deliberate policy designed to divide and destroy organized labor." Regardless of where the truth lies, the lack of forward movement has promoted increasing apprehension on part of major labor leaders, who fear they will lose out, and anticipation on part of secondary level leaders, who see possibility they will emerge as major leaders of the future. The net result to date has been an increasing fragmentation of the labor

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- 4. In absence of a clear policy, at least three distinct groups of labor leaders have formed, with each group seeking to become focal point of negotiations with military. Individual labor leaders and smaller groups are also maneuvering for future leadership positions. The only group which has received any publicity is one led by Health Workers Federation (FATSA) SecGen Otto Calace. Representing approximately 65 small unions and previously ousted leaders of Railway Union (UF), group was frustrated in attempts to hold formal discussions with CGT Interventor Fabrizi and MinLabor Liendo. They are now meeting with lower level military officers. This group hopes to replace leaders of major unions, whom they believe military will exclude from
- 5. A second important group represents leaders of several major unions, including those who negotiated with military prior to coup. During April 13 meeting they decided to remain apart from Calace's group, although they are not antagonistic to majority of leaders collaborating with Calace. An emissary of group held lengthy meeting with Gen Viola evening same day in effort to convince military to work with "salvageable" major leaders. Labatt informed that Viola requested that they be patient "for another eight days" to permit military to resolve differences and adopt definite policy. Individual leaders within group

future leadership roles.

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have also been holding conversations with colonels designated by Fabrizi, but they report their dissatisfaction with such dealings. They have not received satisfactory responses and believe that their position has not been brought to attention of Videla. Several leaders of this group have advised Labatt they will "be forced to seek assistance from friendly foreign unions and trade secretariats (ITSES)" if action isn't forthcoming soon.

- 6. A third group which appears to have possibility of influencing events is now being formed around metal workers union (UOM) leader, Buenos Aires Province ex-Governor Calabro. On April 13 Calabro reassumed control of important Vicente Lopez UOM local. Calabro, if he can survive investigation into his allegedly corrupt activities, is heir apparent to powerful metal workers union. He is also making contact with non-metal workers union leaders.
- 7. The neo-Vandorist Group of Eight (see A-253, 8/12/74), as visibly represented by Paper Workers leader Donaires, Municipal Workers leader Izzetta and Soft Drink Workers chief Racchini, is apparently playing its own game. They have met with each of above three groups and have reportedly expressed sympathy with each one. However, they have joined none of them.
- 8. Comment. Future of organized labor in Argentina is still uncertain. Despite uncertainty and precarious

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0RM 6B FS 413A situation of some labor leaders, labor is willing to give military more time to sort out its own policies. As some have noted, so long as there is no policy, there is at . least hope that when one is adopted it will be favorable.

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